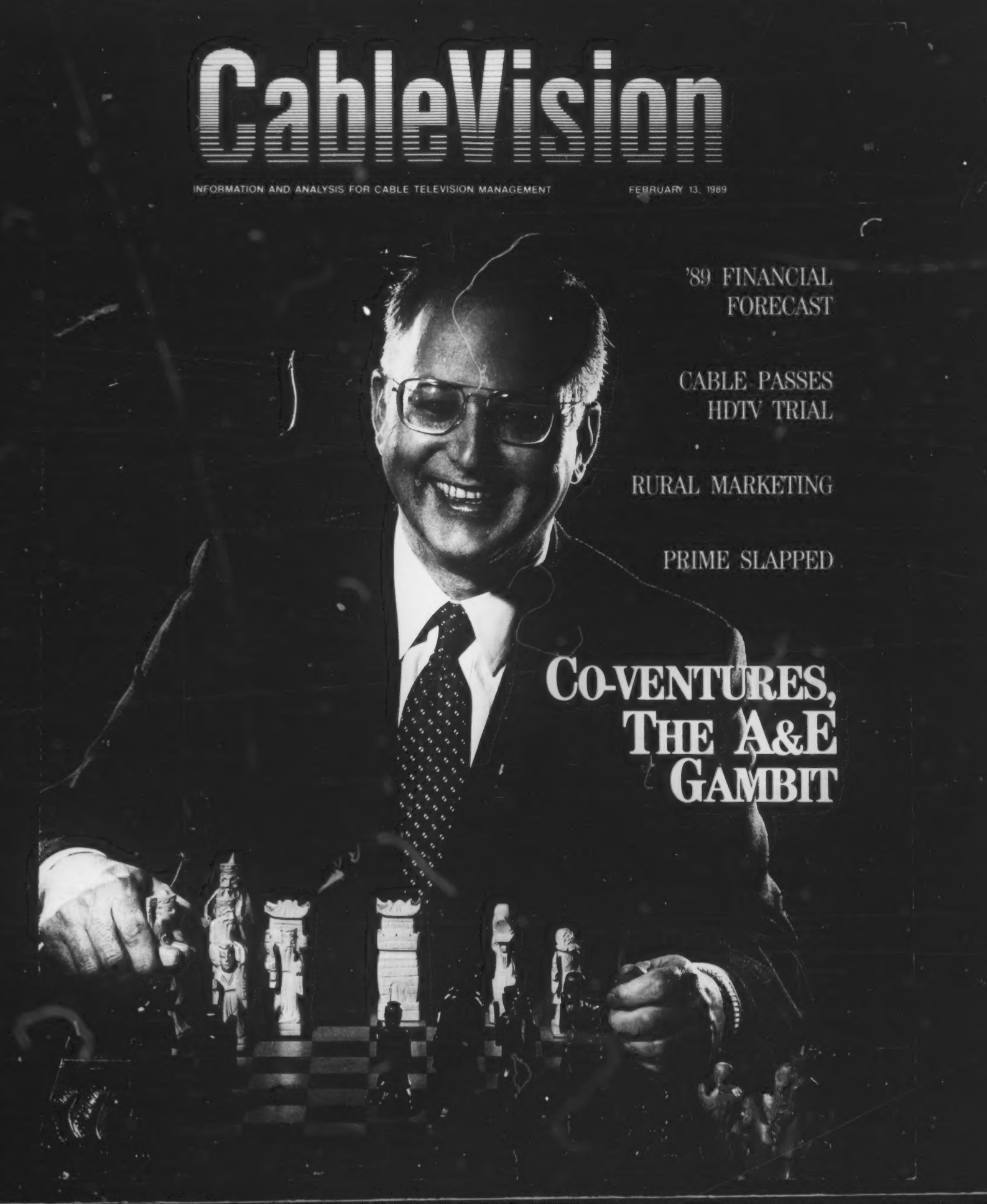
CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT

FEBRUARY 13, 1989



'89 FINANCIAL FORECAST

CABLE PASSES HDTV TRIAL

RURAL MARKETING

PRIME SLAPPED

CO-VENTURES, THE A&E GAMBIT

CableVision

INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT FEBRUARY 13, 1989

INFORMATION

Prodigy may need cable. 12
Rising phone charges for delivery of Prodigy, the Sears/IBM venture many feel is the last hope of videotex, may bring cable into the picture.

Delays endanger UAE merger. 12
The United/Daniels/UACI merger is again postponed due to regulatory considerations, and some say terms of the deal may have to be restructured.

Jones adds another CAN. 20
Pleased with progress on the Florida fiber rebuild using its CAN system, Jones says it will team with Anixter for a similar rebuild in Augusta, Ga.

ANALYSIS

The globalization of television. 22
Cable networks increasingly are partnering with overseas companies to produce programming, a trend that results in quality fare while holding costs down.

Learning to sell in small towns. 33
You know that urban marketing is pretty sophisticated, but small town operators also are adopting some innovative sales tactics, with a human face.

Cable's first HDTV test. 38
In Maryland, officials watch cautiously as high-definition TV signals are fed over a 'no-frills' system, then smile at the pleasing results.

Wall Street's bright outlook. 43
Amid subsiding fears of the telco threat and re-regulation, the stock market is again bullish on cable, making for a bright outlook for the year ahead.

DEPARTMENTS

Overheard 11
Information 12
Programming 22
Sports 28
Marketing 33
Policy 38
Money 43
Classified 57
Calendar 61
People 62
From Washington 65
Parting Words 66

COVER PHOTOGRAPH

Nickolas Davatzes and the A&E gambit

Photo by Lou Manna

Wall Street bulls are back

43

Marketing, with a human face

33

CENTEL CABLE'S 1988 FINANCIAL/SUBSCRIBER PERFORMANCE

(all dollar numbers are in thousands)

	Revenues	Operating Cash Flow	Net Income	Basic Subs	Pay Units
First Quarter	$36,666	$14,235	$1,806	535,952	374,763
Second Quarter	37,795	14,724	2,105	543,332	370,519
Third Quarter	38,611	14,877	2,334	553,123	379,347
Fourth Quarter	40,599	16,282	2,259	577,900	N.A.
Total 1987	$130,117	$47,302	$ 424	521,400	365,800
Total 1988	$153,671	$80,118	$ 8,504	577,900	N.A.

Seriously bidding for Centel

18

ITCI ©International Thomson Communications Inc., 1988. All rights reserved. *CableVision* (USPC 547-410) (ISSN 0361-8374) is published biweekly by International Thomson Communications Inc., 600 S. Cherry Street, Suite 400, Denver, Colorado 80222 -or- P.O. Box 5208-TA, Denver, CO 80217. January 30, 1989, Volume 12, Number 15. Subscription price: 1 year, $46.00; 2 years, $82.80. Outside USA 1 yr.-$124, 2 yr.-$205, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Denver, Colorado and additional mailing offices. POSTMASTER: Please send address changes to, *CableVision*, 600 S. Cherry St., Suite 400, Denver, Colorado 80222.

ABP BPA

Fishing shows catching on

Bill Dance has hooked on with TNN

Fishing programs, it would seem, are not the engines cable networks are relying on to drive penetration—given the focus on professional baseball and football. Still, the more narrowly targeted fishing and outdoor shows do have their place, and this year both ESPN and The Nashville Network are adding more hooking and reeling action to their schedules.

On Saturday morning ESPN has added three new shows, *Crooked Creek*, a half-hour travel and fishing show at 8 a.m., and two half-hour outdoor shows, *Sportsman Challenge* at 8:30 and *Jimmy Houston Outdoors* at 9. This brings a total of five outdoor/fishing programs to the sports network. These new programs boost the network's commitment to counterprogramming the array of childrens shows during the time period, according to one spokesman. ESPN's outdoor/fishing block runs from 7:30-10 a.m.

TNN, which has built much of its success around *Bassmasters*, averaging in its three Sunday airings a 2.3 to 3.0 Nielsen rating, will receive more air time this year. Where the show ran only 26 weeks a year, TNN is extending its schedule to year-round. In addition, TNN is adding *Bill Dance Outdoors*. This gives TNN a 11:30-2:30 p.m. (EST) fishing/outdoor programming block.

Snatching Bill Dance from ESPN is a big coup in the eyes of TNN General Manager David Hall. "It was an excellent opportunity to bring a top-notch show to the network," says Hall. He says Dance became disillusioned with ESPN because his show wasn't running in consistent time periods week-to-week. At TNN, *Dance* is averaging a 1.2 over four weeks in a 2 p.m. time slot; last year on ESPN for 13 shows *Dance* averaged a 0.9.

TNN's move with *Bassmasters* running year round is just part of an overall strategy in shifting the business. "The fishing business is always a first- and second-quarter business," says Hall, "(but) there are some advertisers who (now) see it as a year-round business.... We have a franchise on fishing. We decided to go ahead with *Bassmasters* to see if we know what we are thinking about." Is there enough advertising to keep these shows afloat? "It's going to be close," says Hall.

—Wayne Friedman

Top Basic Cable Sports Programs
January 23-January 29

	Date	Net	Program	Rating	Homes
1.	Jan. 29	ESPN	NFL Pro Bowl	8.3	4,158,000
2.	Jan. 23	ESPN	College B'ball: Indiana-Michigan	3.5	1,754,000
3.	Jan. 26	ESPN	College B'ball: Duke-N.C. State	2.9	1,453,000
4.	Jan. 23	ESPN	College B'ball: St. John's-Georgetown	2.8	1,403,000
5.	Jan. 24	ESPN	Top Rank Boxing: Tate-Bills	2.5	1,253,000
6.	Jan. 29	ESPN	SportsCenter	2.5	1,253,000
7.	Jan. 29	ESPN	NFL All-Pro Team	2.4	1,202,000
8.	Jan. 29	ESPN	Battle of the Monster Trucks	2.1	1,052,000
9.	Jan. 24	WTBS	NBA: Sonics-Trailblazers	2.0	939,000
10.	Jan. 25	ESPN	College B'ball: Kansas St.-Okla. St.	1.7	852,000
11.	Jan. 27	WTBS	NBA: Mavericks-Spurs	1.7	805,000

Pay-Per-View Supply Chart

February

The Blob — Source: Tri-Star
MPAA Rating: R — Running Time: 95 mins.
Cast: Kevin Dillon, Shawnee Smith, Donovan Leitch, Candy Clark

Dark Eyes — Source: Island
MPAA Rating: NR — Running Time: 117 mins.
Cast: Marcello Mastroianni, Marthe Keller

Destroyer — Source: TMS
MPAA Rating: R — Running Time: 95 mins.
Cast: Lyle Alzado, Deborah Foreman, Anthony Perkins

Demons II — Source: Imperial
MPAA Rating: R — Running Time: 88 mins.
Cast: David Knight, Bobby Rhodes, Virginia Bryant

Die Hard — Source: 20th Century-Fox
MPAA Rating: R — Running Time: 132 mins.
Cast: Bruce Willis, Bonnie Bedelia

Epitaph — Source: City Lights
MPAA Rating: R — Running Time: 94 mins.
Cast: Natasha Pavlova, Delores Nascar, Jim Williams

Fear — Source: Cinetel
MPAA Rating: R — Running Time: 96 mins.
Cast: Cliff De Young, Kay Lenz, Frank Stallone

Hot To Trot — Source: Warner Bros.
MPAA Rating: PG — Running Time: 84 mins.
Cast: Bob Goldthwait, John Candy, Dabney Coleman, Virginia Madsen

The Great Outdoors — Source: Universal
MPAA Rating: R — Running Time: 91 mins.
Cast: Dan Aykroyd, John Candy

The Lighthorsemen — Source: Sage
MPAA Rating: PG — Running Time: 116 mins.
Cast: Anthony Andrews, Sigrid Thornton

Made In USA — Source: HBO
MPAA Rating: R — Running Time: 81 mins.
Cast: Christopher Penn, Lori Singer

Phantasm II — Source: Carolco
MPAA Rating: R — Running Time: 104 mins.
Cast: James Le Gros, Reggie Bannister, Paul Irving

Red Heat — Source: Tri-Star
MPAA Rating: R — Running Time: 104 mins.
Cast: Arnold Schwarzenegger, Jim Belushi, Peter Boyle

Straight To Hell — Source: Island
MPAA Rating: R — Running Time: 95 mins.
Cast: Dennis Hopper, Elvis Costello, Grace Jones

Vibes — Source: Columbia
MPAA Rating: PG — Running Time: 100 mins.
Cast: Jeff Goldblum, Cyndi Lauper, Peter Falk

Young Guns — Source: 20th Century-Fox
MPAA Rating: R — Running Time: 107 mins.
Cast: Emilio Estevez, Lou Diamond Phillips, Charlie Sheen, Kiefer Sutherland

March

A Fish Called Wanda — Source: MGM/UA
MPAA Rating: R — Running Time: 109 mins.
Cast: Jamie Lee Curtis, John Cleese, Kevin Kline

Bull Durham — Source: Orion
MPAA Rating: R — Running Time: 108 mins.
Cast: Kevin Costner, Tim Robbins, Susan Sarandon

Caddyshack II — Source: Warner Bros.
MPAA Rating: PG — Running Time: 98 mins.
Cast: Jackie Mason, Dan Aykroyd, Chevy Chase, Dyan Cannon

The Dead Pool — Source: Warner Bros
MPAA Rating: R — Running Time: 92 mins.
Cast: Clint Eastwood

Midnight Run — Source: Universal
MPAA Rating: R — Running Time: 127 mins.
Cast: Robert DeNiro, Charles Grodin, Yaphet Kotto

Nightfall — Source: MGM/UA
MPAA Rating: PG-13 — Running Time: 82 mins.
Cast: David Birney, Sarah Douglas

Poltergeist III — Source: MGM/UA
MPAA Rating: PG-13 — Running Time: 96 mins.
Cast: Nancy Allen, Tom Skerritt

The Presidio — Source: Paramount
MPAA Rating: R — Running Time: 97 mins.
Cast: Sean Connery, Mark Harmon, Meg Ryan

The Rejuvenator — Source: Sage
MPAA Rating: R — Running Time: 88 mins.
Cast: Vivian Lanko, John MacKay

Note: Running times are approximate.
NR indicates film not rated by MPAA.
* Unavailable at presstime.

Film information provided to International Thomson Communications Inc. by distributors.

Pay-Per-View Services Profile

	LAUNCH	DELIVERY	ENCRYPTION	PROGRAMMING	SUBSCRIBERS
Cable Video Store	April 1, 1986	Galaxy III, tr.5	VideoCipher II	Movies, how-to's, special events.	1,000,000
Playboy On Demand	September 1, 1987	Satcom IV, tr.24	VideoCipher II	Original Playboy programs and adult motion pictures.	1,300,000
Request Television	November 27, 1985	R-1: Satcom III-R, tr.19 R-2: Satcom III-R, tr.4	VideoCipher II	Two channels offering movies and special events	3,300,000
Tuxxedo Network	December 1, 1987	Galaxy II, tr. 10	VideoCipher II	Adult movies and special events.	304,000
Viewer's Choice	November 26, 1985	VC-1: Galaxy III, tr. 21, VC-2: Galaxy III, tr. 18	VideoCipher II	Two channels of movies and special events	4,600,000
Zap! Movies	June 5, 1986	Spacenet II, tr.1,3,11,23	VideoCipher II	Channel 1: movies. Channel 2: Cult movies, and rental video favorites. Channel 3: Additional plays of Chs. 1/2 titles. Channel 4: previes and barker information.	60,000

Top 100 MSO's

Rank	Multiple system operator	Basic subs	
1.	Tele-Communications Inc.	5,977,790	(12/88)
2.	American Television & Communications Corp.	3,900,000	(12/88)
3.	Continental Cablevision	2,302,000	(12/88)
4.	Warner Cable Communications	1,529,000	(1/89)
5.	Storer Cable Communications	1,516,623	(12/88)
6.	Cox Cable Communications	1,465,245	(12/88)
7.	Comcast	1,410,000	(12/88)
8.	UA Cablesystems	1,339,729	(10/88)
9.	United Cable	1,251,884	(12/88)
10.	Jones Intercable	1,165,433	(1/89)
11.	Newhouse Broadcasting	1,123,634	(12/88)
12.	Cablevision Systems Corp.	1,120,729	(1/89)
13.	Viacom Cable	1,114,500	(12/88)
14.	Heritage Communications	1,078,085	(12/88)
15.	Cablevision Industries	1,050,771	(1/89)
16.	Times Mirror Cable TV	997,156	(1/89)
17.	Sammons Communications	853,868	(12/88)
18.	Century Communications	774,439	(12/88)
19.	Paragon Communications	703,000	(1/89)
20.	Cooke Cablevision	692,790	(12/88)
21.	Adelphia Communications	682,000	(12/88)
22.	Falcon Cable TV	630,000	(12/88)
23.	Centel Cable	567,117	(12/88)
24.	Telecable Corp.	560,000	(12/88)
25.	WestMarc Communications	558,025	(1/89)
26.	Rogers Cablesystems Inc.	529,708	(12/87)
27.	Scripps-Howard	501,000	(12/88)
28.	Prime Cable	455,123	(12/88)
29.	Tele-Media	413,885	(12/88)
30.	Post-Newsweek Cable	396,000	(12/88)
31.	Multivision Cable TV	381,627	(4/88)
32.	Lenfest Group	347,351	(11/88)
33.	TCA Group	337,999	(1/88)
34.	Maclean Hunter Cable TV	331,599	(12/88)
35.	Multimedia Cablevision	313,167	(4/88)
36.	Rifkin & Associates	304,000	(12/88)
37.	Colony Communications	301,576	(12/88)
38.	TKR Cable	268,195	(12/88)
39.	Western Communications	260,742	(12/88)
40.	Star Cablevision Group	251,629	(12/88)
41.	Simmons Communications	243,826	(12/88)
42.	Cencom Cable	240,000	(12/88)
43.	Communications Service Inc.	228,526	(12/88)
44.	Hauser Communications	226,000	(1/89)
45.	Service Electric Cable TV Inc.	220,000	(8/88)
46.	Greater Media	183,627	(11/88)
47.	Media General	167,261	(12/88)
48.	Harron Communications	167,261	(12/88)
49.	Sutton Capital Group	167,000	(12/88)
50.	Columbia International	166,423	(12/88)
51.	Palmer Communications	154,597	(1/89)
52.	U.S. Cable Corp	152,000	(12/88)
53.	Insight Communications	152,000	(12/88)
54.	Armstrong Utilities	148,265	(12/88)
55.	McDonald Group	142,548	(4/87)
56.	Triax Communications	141,000	(6/88)
57.	Cable Systems USA	133,959	(12/88)
58.	Northland Communications	133,602	(12/88)
59.	Summit Communications	132,713	(12/88)
60.	Bresnan Communications	124,058	(12/88)
61.	King Videocable	120,740	(12/88)
62.	Sonic Communications	118,000	(12/88)
63.	Booth Communications	116,480	(12/88)
64.	Susquehanna Broadcasting	112,205	(12/88)
65.	Midcontinent Cable Systems Co.	102,672	(8/88)
66.	United Video Management	100,641	(12/88)
67.	Pencor Services	96,678	(12/88)
68.	First Carolina Communications	93,860	(12/88)
69.	Omega Communications	90,500	(3/88)
70.	WEHCO Video	90,038	(8/88)
71.	Selkirk Communications	74,428	(8/88)
72.	Coaxial Communications	74,000	(12/88)
73.	Gilbert Media	72,000	(12/88)
74.	Rock Associates	67,802	(5/88)
75.	Chanbers Communications Corp.	63,530	(12/88)
76.	Douglas Communications	60,364	(12/88)
77.	Cardinal Comunications	58,900	(12/88)
78.	James Cable Partners	58,811	(12/88)
79.	Hearst Communications Of California	57,410	(12/88)
80.	Prestige Cable TV Inc.	56,514	(12/88)
81.	C-TEC Cable Systems	56,250	(12/88)
82.	Joseph Gans Cable TV	54,000	(12/88)
83.	State Cable TV	53,700	(12/88)
84.	Pagnotti Inc.	52,590	(12/88)
85.	Telesat Cablevision Inc.	52,590	(12/88)
86.	Leonard Communications	51,700	(12/88)
87.	Barden Cablevision	51,400	(1/89)
88.	Bachow & Elkin Communications	50,711	(12/88)
89.	Galaxy Cablevision	50,612	(12/88)
90.	Helicon Corp.	50,000	(3/88)
91.	New England Cablevision	49,586	(6/88)
92.	Donrey Media Group	46,585	(12/88)
93.	CableAmerica	42,337	(5/88)
94.	CableSouth Inc.	41,537	(12/88)
95.	Eastern Connecticut Cable TV	41,444	(9/88)
96.	Fanch Communications	41,000	(11/88)
97.	Acton Corp.	40,200	(11/88)
98.	Star Cable Associates	40,000	(12/88)
99.	Cable Holdings Inc.	36,200	(12/88)
100.	ParCable	35,210	(12/88)

Subscriber counts are provided by MSOs and systems to Cable Vision. *Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to Cable Stats, 432 Park Avenue So., Suite 1010, New York, NY 10016.*

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Woodbury (Long Island), NY	Cablevision Systems Corp.	312,183	(12/88)
2.	San Diego, CA	Cox Cable	284,343	(3/88)
3.	Manhattan, NY	ATC	245,000	(3/88)
4.	San Antonio, TX	Rogers Cablesystems	221,894	(12/87)
5.	East Orange, NJ	Maclean Hunter	203,117	(5/88)
6.	Puget Sound, WA	Viacom	203,000	(6/88)
7.	Phoenix, AZ	Times Mirror	200,000	(10/88)
8.	Houston, TX	Warner	196,800	(1/89)
9.	Honolulu, HI	ATC	194,000	(3/88)
10.	Hartford/Plainville/Vernon, CT	United	172,289	(5/88)
11.	Chicago (suburbs), Il	Continental	168,000	(4/88)
12.	Wayne, NJ	UA Cablesystems	166,241	(6/88)
13.	Louisville/Jeff. Co., KY	Storer Communications	163,722	(5/88)
14.	Cincinnati, OH	Warner	163,552	(1/89)
15.	Rochester, NY	ATC	163,000	(10/88)
16.	Englewood, CO	United	161,002	(5/88)
17.	Hampton Roads, VA	Cox Cable	158,003	(3/88)
18.	Fairfax, VA	Media General	157,000	(11/88)
19.	Tulsa, OK	United	153,954	(12/88)
20.	Atlanta, GA	Prime Cable	153,557	(3/88)
21.	Jacksonville, FL	Continental Cablevision	153,000	(4/88)
22.	Connecticut Complex	Cablevision Systems	152,390	(12/88)
23.	Cherry Hills, NJ	NYT	145,075	(7/87)
24.	Orlando,FL	ATC	143,500	(6/87)
25.	San Jose/Campbell, CA	Heritage	140,000	(1/89)
26.	Kansas City, MO	ATC	137,000	(12/87)
27.	Baltimore County, MD	Comcast	136,096	(6/88)
28.	Manhattan, NY	Paragon	136,000	(4/88)
29.	Buffalo, NY	Adelphia Communications	132,801	(3/88)
30.	St. Louis Co., MO	Cencom Cable	131,715	(12/88)
31.	Charlotte, NC	ATC	128,000	(3/88)
32.	Memphis/W. Memphis, TN	ATC	126,000	(12/87)
33.	San Francisco, CA	Viacom	123,000	(6/88)
34.	Pompano, FL	Continental	123,000	(4/88)
35.	Martin/Stuart Co., FL	Centel	122,933	(11/88)
36.	San Diego, CA	ATC	121,000	(3/88)
37.	Long Island, NY	Viacom	120,700	(3/88)
38.	Austin, TX	ATC	119,000	(3/88)
39.	Seattle, WA	TCI	112,500	(12/87)
40.	Warren, NJ	TKR	112,116	(7/88)
41.	Toledo, OH	Blade Communications	108,861	(5/88)
42.	Dallas, TX	Heritage	107,680	(5/88)
43.	Chicago Suburbs, IL	Centel	105,948	(12/88)
44.	Southeast Michigan	Comcast	104,803	(6/88)
45.	San Juan, PR	Multivision Cable	104,757	(12/86)
46.	Grand Rapids, MI	UA Cablesystems	103,661	(6/88)
47.	Wilmington, DE	Heritage	103,255	(5/88)
48.	Jefferson Parish/Kenner, LA	Cox Cable	101,919	(3/88)
49.	Pinellas County, FL	Newhouse	100,614	(6/88)
50.	Brooklyn/Queens, NY	Warner	100,000	(1/89)
51.	Tacoma, WA	Viacom	99,000	(6/88)
52.	Boston, MA	Cablevision Systems	98,888	(12/88)
53.	Raleigh/Durham, N.C.	ATC	98,000	(3/88)
54.	Indianapolis, IN	Comcast	97,790	(6/88)
55.	Richmond, VA	Continental	97,241	(12/88)
56.	Escondido, CA	Times Mirror	96,519	(4/88)
57.	Dade/Broward County, FL	Storer	94,577	(5/88)
58.	Worcester Complex, MA	Greater Media	92,148	(12/88)
59.	Naples, FL	Palmer	91,073	(1/89)
60.	Pittsburgh, PA	TCI	91,000	(12/87)
61.	Nashville, TN	Viacom	90,000	(6/88)
62.	Tampa, FL	Paragon	90,000	(10/88)
63.	Chicago, IL	Group W	89,500	(7/88)
64.	Jackson MS/Monroe LA	ATC	89,000	(3/88)
65.	Milwaukee, WI	Warner	88,126	(5/88)
66.	Wichita, KS	Multimedia Cablevision	86,929	(12/87)
67.	Las Vegas, NV	Prime Cable	86,852	(5/88)
68.	Orange County, CA	Times Mirror	86,607	(4/88)
69.	Greensboro, NC	ATC	86,000	(3/88)
70.	Dover/Morristown, NJ	Sammons	82,871	(5/88)
71.	Portland, OR	Rogers	82,587	(6/88)
72.	Harrisburg, PA	Sammons Communications	82,334	(5/88)
73.	Orange County, CA	Rogers	81,604	(1/89)
74.	South Bend, IN	Heritage	80,776	(5/88)
75.	Oakland County, MI	United	80,564	(5/88)
76.	New Orleans, LA	Cox Cable	80,348	(3/88)
77.	Independence,MO	Jones	79,897	(11/88)
78.	Baton Rouge, LA	UA Cablesystems	79,586	(4/88)
79.	Albuquerque, NM	Jones Intercable	79,199	(10/88)
80.	Akron, OH	Warner	79,070	(5/88)
81.	Hillsborough, FL	Paragon	79,000	(4/88)
82.	Columbus, OH	Warner	78,454	(5/88)
83.	Indianapolis,IN	ATC	78,000	(3/88)
84.	St. Petersburg, FL	Paragon	78,000	(4/88)
85.	Medford Complex Boston Suburbs, MA	Warner	77,167	(5/88)
86.	South Texas, TX	Heritage	77,160	(5/88)
87.	Fresno, CA	Continental	76,326	(9/88)
88.	Cleveland Heights, OH	Viacom	76,000	(6/88)
89.	Allentown, PA	Service Electric	75,000	(9/87)
90.	Melbourne/Cocoa, FL	ATC	74,200	(6/87)
91.	Fayetteville, NC	ATC	74,000	(3/88)
92.	Flint, MI	Comcast	72,923	(6/88)
93.	Little Rock, AR	Storer	72,681	(5/88)
94.	Providence/Warwick, RI	Times Mirror	73,605	(5/88)
95.	Omaha, NE	Cox Cable	73,361	(3/88)
96.	Pleasant Hill, CA	WestMarc Communications	72,452	(1/89)
97.	Ocean County, NJ	Adelphia	72,355	(3/88)
98.	Lincoln, RI	Heritage	71,625	(5/88)
99.	Oklahoma City, OK	Cox Cable	70,371	(3/88)
100.	Des Moines, IA	Heritage	70,148	(5/88)